



DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET
P.O. Box 541
HONOLULU, HAWAII 96809
(808) 586-2620
FAX (808) 586-2625

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JI SOOK KIM
CABLE TELEVISION ADMINISTRATOR

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2016

Date: Tuesday, March 1, 2016
Time: 3:00 p.m.

TESTIMONY ON H.B. NO. 2543, H.D. 1 – RELATING TO BROADBAND.

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is Ji Sook “Lisa” Kim, and I am the Cable Television Administrator at the Department of Commerce and Consumer Affairs (the “Department”). The Department appreciates the opportunity to express **support** for H.B. No. 2543, H.D. 1, which, among other things, makes permanent the permitting and approval exemptions provided for certain broadband-related infrastructure directly related to the improvement or installation of telecommunications cables under Act 151, Session Laws of Hawaii 2011 (“Act 151”), as amended by Act 264, Session Laws of Hawaii 2013 (“Act 264”); and which makes permanent the provisions of Act 264, which require the State and the counties to take action within sixty (60) days for broadband-related permit applications, and within one hundred forty-five (145) days for use applications for broadband facilities within the conservation district, for five (5) years to June 30, 2023.

The purpose of Act 151 was “to facilitate the deployment of high-speed broadband infrastructure in Hawaii by exempting the installation, improvement, construction, or development of infrastructure relating to broadband service or broadband technology from state and county permitting requirements, under certain conditions, and reducing the time and costs associated with requests for access to utility poles and conduits.” Under Act 151, a person or entity taking any action utilizing an exemption is required to provide notice at least thirty (30) calendar days before the

action is taken by electronic posting in the form and on the State website designated by the Director of Commerce and Consumer Affairs for such posting.

Act 151 also required the Department to submit a report to the 2016 Legislature on the state of broadband communications in Hawaii and the Act 151 exemptions, including a recommendation on whether to extend the exemptions. This report was filed with the Legislature as DC160 on January 20, 2016 ("Act 151 Report").

The Department reported that, to date, no entity had provided the required notice of action to utilize Act 151. The Department also reported that it had asked the three major broadband providers in the State, Oceanic Time Warner Cable, Hawaiian Telcom and Level 3 Communications (which acquired tw telecom in 2014), about their intent to utilize the Act 151 provisions and for any other comments regarding Act 151. The Department received responses from Oceanic Time Warner Cable and Hawaiian Telcom, copies of which are attached to the Act 151 Report as Appendices "F" and "G" respectively. Although neither company had yet used the Act 151 exemptions, both companies supported the intent of Act 151 and its provisions, and wanted to preserve the opportunity to utilize Act 151 in the future.

Specifically, Oceanic Time Warner Cable stated its support of Act 151, as well as Act 264, in part, as follows:

[O]ceanic believes that the streamlined government approval process as provided by the Acts will materially facilitate Oceanic's development and deployment of broadband infrastructure in appropriate future projects and circumstances, and that the provisions of the Acts are important components of the State's overall broadband policy. In addition, given the Federal Communication Commission's recognition that the "lack of reliable, timely, and affordable access to physical infrastructure – particularly utility poles – is often a significant barrier to deploying wireline and wireless [broadband] services" (See Report and Order and Order on Reconsideration, 26 F.C.C. Rcd. 5240 (2011)), Oceanic also supports provisions in the Acts recognizing and reinforcing that public utilities must adhere to federal pole attachment requirements and timelines (including the requirement of providing specific reasons and evidence for attachment denials).

Oceanic Time Warner Cable expressed its belief that both Act 151 and Act 264 should be extended for a minimum of five (5) years, although noting that making their provisions permanent would provide the most regulatory certainty for broadband providers (to facilitate infrastructure and budgetary planning).

Hawaiian Telcom expressed its support for extension of Act 151, stating in part as follows:

While Hawaiian Telcom has not taken advantage of the provisions of Act 151, we continue to support the intent of Act 151, which is to advance the deployment of our state's broadband infrastructure by streamlining the governmental permit process, and we believe this Act should be extended.

During our internal discussions regarding the extension of Act 151, Hawaiian Telcom identified a project that may have benefitted from the permitting exemption provided under Act 151. If a project with similar circumstances occurs in the future, Hawaiian Telcom will seriously consider applying for an exemption under Act 151.

. . . Act 151 is a forward-looking measure which helps align Hawaii's policy objectives with governmental regulations that encourage greater investment in broadband infrastructure.

The Department supports permit streamlining that can facilitate statewide access to affordable, high speed broadband services necessary to build a vibrant economy and to improve the quality of life for our residents. The provisions of Act 151 and Act 264 will allow providers to expediting broadband infrastructure deployment in the State. The Department, thus, supports passage of H.B. No. 2543, H.D. 1.

Thank you for the opportunity to testify on this bill.



DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Tuesday, March 1, 2016
3:00 P.M.
State Capitol, Conference Room 308

in consideration of
HB 2543, HD 1
RELATING TO BROADBAND.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB 2543, HD 1, which makes permanent the provisions of Act 264, SLH 2013, which requires the State and the counties to take action within sixty days for broadband-related permit applications; requires the State to take action within one hundred forty-five days for use applications for broadband facilities within the conservation district; establishes other requirements regarding broadband-related permits; and subjects weight load for utility poles to capacities established by the FCC and PUC. The amendment made in HB 2543, HD 1, makes permanent the above mentioned provisions.

DBEDT supports measures that allow for more efficiencies in the broadband-related permitting process. The department believes that improvements in the permitting process will allow for more private sector participants and can lead to increased competition in Hawaii's broadband sector. Increasing Hawaii's broadband capacity is key for enabling rapid access of information; accelerating business development; connecting first responders more efficiently; creating telemedicine opportunities for the healthcare industry; enhancing educational resources; improving communications networks; enhancing telecommuting; enabling smart grid technology; and addressing existing cable end-of-life issues. As such, DBEDT supports the amendment made in HB 2543, HD 1.

Thank you for the opportunity to offer these comments on HB 2543, HD 1.

200 Akamainui Street
Mililani, Hawaii 96789-3999
Tel: 808-625-2100
Fax: 808-625-5888



The Honorable Sylvia Luke, Chair
The Honorable Scott Nishimoto, Vice Chair
House Committee on Finance

RE: HB 2543 HD1 – Relating to Broadband – In Support
Tuesday, March 1, 2016 – 3:00 PM, Room 308; Agenda #4

Aloha Chair Luke, Vice Chair Nishimoto and members of the Committee,

Oceanic Time Warner Cable supports HB 2543 HD1, which makes permanent the provisions of Act 264, SLH 2013 relating to broadband-related permit applications.

As an active member of the Broadband Assistance and Advisory Council, we continue to support the state's expansion of broadband infrastructure that is in line with consumer and market demands.

Oceanic Time Warner Cable currently provides access to broadband service for the vast majority of the state. We are actively working to increase broadband speeds throughout the state.

Thank you for the opportunity to provide comments in support. We ask for your favorable consideration of HB 2543 HD1.

Sincerely,

Gregg Fujimoto
President

Testimony before the House Committee on Finance

**By Paul A. Nakagawa
Superintendent, T&D Infrastructure
Construction and Maintenance Department
Hawaiian Electric Company, Inc.**

**Tuesday, March 1, 2016
3:00 pm, Conference Room 308**

**House Bill 2543 HD1
Relating to Broadband**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

My name is Paul Nakagawa and I am testifying on behalf of the Hawaiian Electric Company and its subsidiaries, Hawai'i Electric Light Company and Maui Electric Company (collectively, the "Hawaiian Electric Companies") in support of HB 2543 HD1.

Thank you for the opportunity to testify on this measure.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Finance
Tuesday, March 1, 2016 at 3:00 P.M.
Conference Room 308, State Capitol**

RE: HOUSE BILL 2543 HD 1 RELATING TO BROADBAND

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2543 HD 1, which makes permanent the provisions of Act 264, SLH 2013, which requires the State and the counties to take action within sixty days for broadband-related permit applications, requires the State to take action within one hundred forty-five days for use applications for broadband facilities within the conservation district, establishes other requirements regarding broadband-related permits, and subjects weight load for utility poles to capacities established by the FCC and PUC.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

An effective and comprehensive solution improving broadband deployment throughout the State will allow providers to meet an ever increasing public demand for broadband services. By accelerating the deployment, this legislation will further Hawaii's ability to compete globally.

Thank you for the opportunity to testify.

LATE

HB 2543 HD1

RELATING TO BROADBAND

**KEN HIRAKI
VICE PRESIDENT-GOVERNMENT & COMMUNITY AFFAIRS
HAWAIIAN TELCOM
March 1, 2016**

Chair Luke and members of the Finance Committee:

I am Ken Hiraki, testifying on behalf of Hawaiian Telcom on HB 2543 HD1.

Hawaiian Telcom supports HB 2543 HD1 which will make permanent the provisions of Act 264, SLH 2013. As an active member of the State Broadband Assistance and Advisory Committee, we support legislation designed to accelerate the timely deployment of broadband services throughout the state.

Delays in approving broadband permits result in higher deployment costs and impair Hawaii's ability to effectively compete in the global economy. Approval of HB 2543 HD1 will assist broadband providers to meet the rapidly growing public demand for the most advanced broadband products and services.

Hawaiian Telcom respectfully requests HB2543 HD1 be passed.

Thank you for the opportunity to testify.